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AdWatch

(Continued from Page 4)

vs. 20%), a margin McDonald's hasn't enjoyed since the January survey (41.8% vs. 21.5%), before the latest skirmishes in the burger battles had broken out.

McDonald's effective counterpunch was its new campaign, themed "It's a good time for the great taste of McDonald's," which broke June 18 (AA, April 16). It appears also to have been a great time for new advertising. The chain's previous theme "Together, McDonald's & you," launched in January, 1983, generated consistently strong awareness: McDonald's has never finished other than first in the 28 months adWatch has been conducted. But competitors have come close in recent months to knocking it from its perch.

Burger King's sharply focused comparative campaigns and Wendy's new-product and "beef" commercials tightened the struggle for top-of-mind awareness. In May, the Big 3 chains' awareness shares were tightly bunched: McDonald's, 29.2%; Wendy's, 22.8%, and Burger King, 18.3%.

"Great taste" has put McDonald's comfortably ahead again. For now. "If we needed improvement in any area it was in the area of being a little younger, a little more contemporary, a little more with it," said McDonald's exec vp and chief marketing officer Paul Schrage of the campaign.

As a result, the original 15-spot pool of "Great taste" commercials (new spots, including several promoting Chicken McNuggets, since have been added) included a few with break-dancers, two with pop group Menudo and one featuring the DeBarge group and dozens of smiling teen-age faces.

The result: Target market identified and captured.

The "Great taste" campaign generated higher awareness for McDonald's among respondents in the 18-to-34 age group than had "McDonald's & you" the previous month. In June, for example, 35% of respondents aged 25 to 34 said McDonald's advertising first came to mind. Its share of that group rose to 43% in July.

But McDonald's biggest gain last month came in the 45-to-54 age group. Its share of first mentions in this important market jumped from 31% in June to 45% last month, proving that even if you're too old to break-dance and aren't interested in owning a DeBarge album, you can still hum a good jingle when you hear one.

It should be noted that last month's adWatch survey was conducted between July 1 and July 20. The national attention focused on McDonald's following the July 18 shootings at its San Ysidro, Cal., store (AA, July 23) had little or no impact on advertising-awareness survey results.

The adWatch survey is a joint project of Advertising Age and SRI Research Center, Lincoln, Neb. Advertising awareness is measured by asking a nationally projectable sample of consumers to name the advertising that first comes to mind in 22 product and service categories from all they have seen or read in the previous 30 days.

Last month, 1,254 adults were questioned by phone. Under adWatch methodology, an increase or decrease between monthly samplings of 2.8 percentage points is considered statistically significant and attributable to more than sampling variation.

There's more to life and advertising than fast-food. Among noteworthy developments in other product categories last month:

- Speaking of good timing, Procter & Gamble's got it. P&G is rolling out decaffeinated Folger's just as regular Folger's has surged in advertising awareness. With a 3.6 percentage-point increase to 22.5% of first mentions last month, Folger's returned to the No. 1 spot in the **coffee** category. Maxwell House was a close No. 2 in July with a 21.7% awareness share; Hills Bros. was No. 3 with 6.3%.
- The **airline** advertising category has been almost—but not quite—as unpredictable as the airline industry lately. American Airlines, Eastern Air Lines and United Airlines have traded stints in the No. 1 spot for several months. In July, American registered a 5.1 percentage-point gain in first mentions. Its 14.4% of the total tied it with Eastern for the top spot. United was No. 3 with 10.9%.

Don't be surprised next month if budget-carrier People Express, which received only 2% of total first mentions (most of them from respondents in the Northeast) in July, makes a bid for one of the top five spots.

- Americans may not be able to pronounce or spell ibuprofen, but American Home Products' advertising for its new Advil pain-reliever has made its mark in the **medicine and drugs** category. Advil didn't even show up in the June survey (although it may have received fewer than 1% of mentions and have been lumped in the "other" category), but last month it came to mind first for 3.9% of those polled. That put it in the No. 4 spot, behind Tylenol (28.3%), Anacin (6.5%) and Bayer (4.9%), but ahead of Excedrin (2.6%).

Bristol-Myers' ibuprofen-based Nuprin did not show up in July, but that, too, could change.

- Kodak, whose ad awareness dropped in June, last month made up some of the ground lost in the **cameras and equipment** category. Kodak's share of first mentions rose 3 points to 27.1% to increase its lead over No. 2 Canon (16.8%). Polaroid remained No. 3 with 8.3%.
- What happened to Lipton? It still had a stranglehold on top-of-mind awareness in the **tea** category last month with 42.7% of mentions (compared with 7.9% for No. 2 Nestea), but that share represented a 3.7% decline. Chris Evert-Lloyd—and her dad—may have returned just in time (during the Olympics). Tetley held the No. 3 spot with 4.4% of first mentions.

Worth noting is the tea marketer in last month's No. 4 position: It was Luzianne tea, marketed by New Orleans-based Luzianne-Blue Plate Foods Co. Luzianne received 1.8% of first mentions over-all (putting it ahead of Salada), but 5% of first mentions in the South Central region where it is sold.

- Shearson Lehman/American Express' stark new advertising in the **financial services** category shows no faces, no rampaging bulls, no heads turning to listen. Instead, its tv spots use only white type on a black background ("Now may not be a good time to 'play the market'. . .However it may be a very good time to invest in the market"), soberly read by an off-camera announcer. However stark the advertising may be, it has gained Shearson Lehman some surprisingly fast awareness.

After receiving fewer than 1% of first mentions in June, Shearson's advertising came to mind first for 3.4% of respondents, enough to dislodge Smith Barney in the No. 3 spot. Merrill Lynch's bull continued as No. 1 with a 6% share of first mentions and E.F. Hutton held the No. 2 spot with 3.7%.

- Nissan's advertising efforts to persuade consumers to stop calling its cars Datsuns are bearing some fruit in the **cars and trucks** category. Last month, 37 respondents said Datsun, 19 said Nissan, for a total of 56 first mentions (4.5%). Of course, the car maker's real problem is that 281 adults named Ford first (22.4%), 157 said Chevrolet (12.5%) and 123 said Toyota (9.8%).#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

Stroh run seen as step toward national position

Detroit—Stroh Brewery Co.'s Oct. 13 run for the Statue of Liberty drives home the company's efforts to move from a regional to a national brewer.

The company expects 400,000 runners in 123 cities to participate in the Stroh's Run for Liberty. Stroh is billing the nationwide happening as the biggest running event in history.

The run also is a merchandising tie-in to Stroh's $3 million sponsorship of the Statue of Liberty-Ellis Island restoration. The $8 runner's entry fee will go to the Statue of Liberty-Ellis Island fund.

The brewery will be supported in the event by Brooks Shoe, an athletic shoe and sportswear subsidiary of Wolverine Worldwide, Rockford, Mich.

Stroh also is enlisting local radio stations as promotional partners. Promotional announcements, prerace activities and Brooks merchandise giveaways start Sept. 17, followed by race-day remote broadcasts and live coverage.

Promotion for the 8-kilometer (5-mile) run is through Hobson, Barnes & Associates, an Atlanta marketing service agency.

Stroh and Brooks will provide merchandise prizes and medallions for top finishers in each of the cities. Race sites were chosen to ensure that each state has at least one race, with heavier participation in states where Stroh is making a marketing push.

The brewery is backing the run with 30-second network tv awareness commercials, entry forms in sports and consumer magazines, radio spots and point-of-purchase materials. Marschalk Co., New York, is handling the print ads.#

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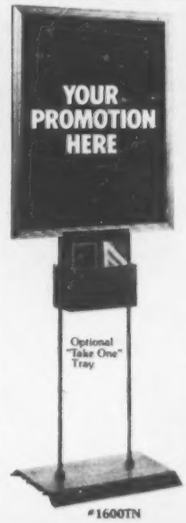

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Thursday, August 30, 1984

Advertising Age

The International Newspaper of Marketing

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Disney seeks spark via Hasbro

By CLEVELAND HORTON and JAMES P. FORKAN

Walt Disney Productions and Hasbro Industries tantalized the volatile toy licensing marketplace this week with the outlines of a potentially significant tv production and merchandise spinoff alliance.

Disney, long the premier U.S. animation house, and Hasbro, a toy marketing powerhouse, revealed they have collaborated on a new set of animated characters for both television shows and subsequent merchandise and licensing agreements.

Execs in the toy and licensing fields say the joint venture sounds "promising" and "aggressive." Most, though, declined to say more until further details of the new property become available. Network executives also expressed interest in the programing.

The characters, as yet not revealed, were developed jointly by the two companies, the first time in recent history that Burbank, Cal.-based Disney has split such a chore, according to Barton (Bo) Boyd, Disney exec vp-consumer products. Disney is now in the storyboard phase of creating the tv shows and won't approach the networks for 30 to 60 days, Mr. Boyd said. He added that the tv series and the character merchandising probably will be released at the same time.

Disney has long been a magic name in animation and licensing, though mainly for its pre-1960s theatrical cartoons. It has lately had a tough time scoring in movies and network tv. And while Disney has had prime time series on all three networks, it has stayed away from Saturday morning cartoons.

By linking with Hasbro—which in the past two years has become very aggressive in licensing its own toys to other companies and to tv syndication—Disney apparently is out to capture a share of the licensing revenues that have been generated by such relatively new properties as American Greetings' Strawberry Shortcake and Care Bears and Hallmark Properties' Rainbow Brite.

The agreement calls for Pawtucket, R.I.-based Hasbro and Disney to share licensing in the U.S. while Disney has exclusive rights overseas. The tv release is expected in early 1985.

Although Disney has created a number of animated characters for theatrical release, this is the first time it has created entirely new characters specifically for tv. "We had considered creating new characters for some time," Mr. Boyd said. He added that the idea of collaborating with another company "sparked both of us [Disney and Hasbro]." Hasbro has licensed characters from Disney in the past.

Network representatives say they have

(Continued on Page 25)

Sending in the Oly

Pabst Brewing, Milwaukee, is backing expanded distribution of its Olympia and Olympia Light beers with new ads themed "Stay where you are. We'll send the beer." The humorous tv spots are airing in Texas and in the East and Southeast. The spots, via Young & Rubicam, reassure consumers that they needn't brave the Northwest to find Oly.

Hills attacks GF's Yuban via Gold Blend

By JENNIFER PENDLETON

San Francisco—Hills Bros., taking a lesson from the success of General Foods' Yuban, has entered the premium coffee market with a new product, Hills Bros. Gold Blend, now in test in Green Bay, Wis.

The coffee marketer, which Nestle Co. is in the process of acquiring (AA, April 16), is presenting the ground high-extract coffee as a slightly higher-price, upmarket alternative to mainstream coffee brands in ads on tv and in free-standing inserts.

"Imagine the taste of coffee fresh from the grinder," the commercial announcer says, spotlighting the product's gold and brown can. "That's the taste captured in new Gold Blend."

Gold Blend's introduction is Hills Bros.' first entry into the premium coffee market that Yuban dominates. Yuban is the only product in the premium category marketed nationally; other popular brands are marketed regionally.

Last year GF introduced a decaffeinated version of Yuban on the West Coast, far and away Yuban's strongest selling area. GF earlier this year launched Le Cafe, a flavored line of ground-roast coffees, under the heretofore instant-only International Coffees label.

Like almost all coffee marketers

(Continued on Page 25)

K/D/P wins $6.5 million Cal. pitch

Sacramento—California's newly formed Department of Commerce here named Keye/Donna/Pearlstein, Los Angeles, to handle a $6.5 million advertising campaign for tourism and business development starting early next year.

The agency, which earlier completed a $300,000 market-research project for the department, was chosen over review finalists N W Ayer, Los Angeles and Ogilvy & Mather, San Francisco.

About $5 million of the department's $6.5 million advertising budget will be devoted to stimulating tourism; the remaining $1.5 million will apply to attracting business and industrial investment in the state. Tv and print ads in the western U.S. will start in January or February.#

Seeking network for fall schedule

New USFL ratings study

By ROBERT RAISSMAN

The U.S. Football League is moving ahead with a game plan designed to gets its fall, 1986, games on one of the networks.

The young USFL commissioned Yankelovich, Skelly and White to perform a study projecting television audience ratings for its 1986 shift to a fall schedule.

However, there is no guarantee the USFL owners will use the Yankelovich numbers. Earlier, they decided to move from spring to fall football despite statistical pitfalls presented in another league-commissioned study by McKinsey & Co. (AA, Aug. 20).

But Doug Kelly, a USFL spokesman, said the results of the new study will be used in negotiations with the networks. CBS and NBC currently carry National Football League games on Sundays, leaving only ABC without weekend professional football. At ABC, which has been carrying USFL's spring-summer games (along with ESPN), an official said that network is not interested in pitting the USFL head-to-head with the NFL. The NFL network contract expires before the 1986 season.

A highly placed USFL source who has been briefed on Yankelovich's initial findings said the research company had "an excellent"

(Continued on Page 27)

Presstime

Marschalk pins Diaparene; Pamprin line to Doner

New York—Sterling Drug's Glenbrook Laboratories has moved its Diaparene baby products line to Marschalk Co., New York, from N W Ayer. Billings are estimated at $1.5 million. Also, Chattem, Chattanooga, has moved an estimated $2 million in billings for Maximum Cramp Pamprin to W.B. Doner & Co., Baltimore, from Marschalk, which continues to handle regular Pamprin and other Chattem products.

California Cooler may pull cork on McCann

Stockton, Cal.—California Cooler, following months of reported dissatisfaction with marketing efforts for its wine cooler, is reviewing agencies for the estimated $7 million-to-$7.5 million account. McCann-Erickson, San Francisco, appointed earlier this year, is expected to compete against Chiat/Day; Ketchum Advertising; J. Walter Thompson USA, and Young & Rubicam, all San Francisco; Della Femina, Travisano & Partners, Los Angeles; Michael-Stewart Advertising, San Mateo, and Girvin, Conrad & Girvin, Sacramento.

O&M checks out from Marriott account

Washington—Marriott Hotels & Resorts and Ogilvy & Mather have agreed to end their relationship. Marriott cited its shift toward local, regional and direct marketing as the reason. The company spent $4 million a year through O&M, 24% of the hotel chain's national advertising budget.

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NEWSPAPER

A marketing tour of th... NFL ... Page 26

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Midway move may hatch new airline

By SCOTT HUME

Midway Airlines is contemplating creation of a new low-cost airline by buying out bankrupt, low-fare carrier Air Florida.

That airline initially will carry the Air Florida name, but a spokeswoman for Chicago-based Midway said it has formed a new subsidiary called Midway Express through which this week's buyout negotiations have been implemented.

The spokeswoman declined to speculate about what name Air Florida's planes eventually would carry if a buyout can be arranged. The name Midway Express is similar to Midwest Express, the business class airline operated by Kimberly-Clark Corp., Neenah, Wis.

Even if Air Florida's operations are absorbed into the existing Midway system, they would provide important added muscle. In addition to gaining Florida routes and more arrival and departure slots at New York's LaGuardia and Washington's National airports, Midway would gain operating rights into Westchester County Airport in New York for its Midway Metrolink business-class service.

The Westchester and LaGuardia slots would lessen the importance to Midway of its flights between Chicago and Newark. Low-fare carrier People Express, Newark, last week began flying that route (AA, Aug. 20), and fare cuts on the route by major carriers followed.

Midway on Aug. 27 presented a preliminary buyout proposal to a U.S. bankruptcy court judge in Miami, who gave Midway until Sept. 14 to present a detailed, final plan for absorbing Air Florida.

Under Midway's preliminary proposal, Miami-based Air Florida next month would resume flying (as an independent carrier) between Westchester, Washington, and several Florida cities. Service between Chicago and Westchester would be started.

That first phase would be in effect until November, after which time Air Florida could be folded into Midway.

A Midway buyout of Air Florida would require approval from the Civil Aeronautics Board, Air Florida's creditors and the U.S. bankruptcy court in Miami.

Meanwhile, Midway this week moved to strengthen its frequent-flier program by announcing an updated version of its FlyersFirst system, originally begun March 1.

The revamped FlyersFirst II still offers reward packages based on number of round-trips flown rather than miles flown (a measurement used by other carriers).

Print ads for the new program break Sept. 4, backed by a direct-mail campaign. Ally & Gargano, New York, is Midway's consumer agency. Zwiren & Wagner, Chicago, handles trade advertising.#

Underwear success leads to sale of Klein division

By PAT SLOAN

NEW YORK—In one year Calvin Klein's masculine-styled underwear for women has become a classic, with sales topping $48 million. That success, which the designer says "no one would have expected," may have required Calvin Klein Industries to sell its women's underwear division to Kayser-Roth Corp.

As demand for Klein's gender-bender underwear has grown, so has the competition from a handful of companies that might not have as toney a name as Calvin Klein, but are well muscled on the manufacturing side.

Kenosha, Wis.-based Jockey International's Jockey For Her, which began rolling out in fall, 1982, now is sold nationally, while Murjani International announced just a few weeks ago it is introducing a collection of Gloria Vanderbilt women's underwear with mannish lines (AA, Aug. 2). Then, too, there have been a slew of similarly fashioned products from knock-off artists that have copied the look but not the high price of these department-store labels.

For several months Klein's competitors have been saying the rapid growth of that company's own sales and the profusion of competitors it has engendered have put pressure on the designer's manufacturing plants. To continue to grow in women's underwear and withstand the onslaught of those companies with greater manufacturing capabilities, Calvin Klein Industries opted to sell the division to Kayser-Roth, they say. The sale was announced Aug. 27.

Reached at his office, Mr. Klein wouldn't couch the reasons for the sale—terms of which were undisclosed—in exactly those words. But when asked about reported manufacturing difficulties, he noted, "No one gears up for that kind of production in the first six months of a business. When we started out, no one would have expected this to be the success it has become. At one point Bloomingdale's couldn't run an ad for the line because every time it came in, it sold out the first day on the floor." The store

(Continued on Page 26)

Video Theater is one of a number of companies setting up video retail outlets in unexpected locations—this one in a grocery store.

Videocassette rental sites in darndest spots

By SUSAN SPILLMAN

From a train station in the nation's capital to bookstores, grocery stores, movie theaters and even U-Haul outlets, videocassette rental facilities are sprouting just about everywhere.

The 12,000 traditional video retail stores specializing in renting and selling videocassettes and videocassette recorder hardware face growing competition from an estimated 2,000 unrelated businesses that have found shelf space to "moonlight" in videocassettes.

The nontraditional video retailers offer customers convenience and generally bargain prices. Prices for a one-night rental average about $2 in these stores, compared with as much as $4 from a video dealer.

Traditional dealers, on the other hand, offer greater selection. Therefore, such store owners claim they are not threatened by their new competitors.

"We offer bigger selections and experienced salespeople. You wouldn't buy records at K mart, would you? Then why should people want to rent cassettes at the supermarket," said a spokesman for the Video Software Dealers Assn.

"Record stores were the first of the new breed [of nontraditional video dealers], but now just about any type of business that has space and customer traffic is discovering that getting into the videocassette act can be very profitable," said Dave Butterfield, president of Butterfield Communications, a Cambridge, Mass., research company.

The reason is simple—startup costs are low and profits can be high. Setting up a video shop inside a store can cost less than $35,000, while first-year profits can exceed $50,000, Mr. Butterfield said.

For some companies such as Publix Super Markets, Lakeland, Fla., there is no upfront investment at all.

Video Theater, a video products distributor, supplies the grocery chain with several hundred tapes, as well as videocassette players, to rent. The two companies then split the revenues. Publix currently has video outlets in 32% of its 125 stores and is looking to add more, said Dean Ramus, assistant director of store operations for the company's division in Lakeland.

Publix isn't the only grocery store operation getting into video. Since March, six San Francisco area stores owned by Safeway Stores, Oakland, Cal., have been renting and selling videocassettes.

"A grocery store is the perfect place to rent videos. You can pick up a steak for dinner and get a movie to watch with it all at the same time," said John Saltners, a spokesman for That's Entertainment, which supplies Safeway with its video inventory.

In Manhattan, an outlet of the Food Emporium chain also is selling and renting videocassettes, but store officials declined to comment.

Renting videos also can help a store sell more of its staple prod-

(Continued on Page 5)

Highlights

Hasbro Industries and Walt Disney Productions see great tv and licensing potential for a cartoon project due in 1985 on tv and store shelves. The two companies are sharing creative and licensing aspects. *See Page 1.*

U.S. Football League has commissioned Yankelovich, Skelly and White to project tv ratings when the league moves from spring to fall. The study is expected to be used by the USFL as a negotiating tool with the Big 3 tv networks. *See Page 1.*

Kayser-Roth Corp. will buy Calvin Klein's women's underwear division for an undisclosed sum, but leave Calvin Klein in the designer's seat, which may let Mr. Klein have his cake and eat it too. *See Page 3.*

Book-of-the Month Club has turned to another crowded field—microcomputer software and books. *See Page 5.*

Seventeen, at 40, has much to celebrate: Circulation, ad pages and ad revenues are rising, at a time when its audience, women 13 to 19, is shrinking. *See Page 24.*

New York Post will jump into battle for the city's business-to-business ad dollars Sept. 18 with the introduction of a special business pullout section to be published every Tuesday. *See Page 26.*

DIRECT MARKETING

A recent survey of retailers showed they thought direct mail was the medium that best served their needs. *See Page 8.*

Home Box Office is leading a cable-industry direct-marketing program that aims to reach 25 million households this fall. *See Page 9.*

SPECIAL REPORT

Spending an estimated $38.6 billion on projects in 1984, the growing battalion of do-it-yourselfers has contributed to the growth of the home-improvement market, and hardware stores, mass retailers, home centers, specialty retailers and even product manufacturers have altered the way they do business to keep up with the changing marketplace. *See Page 11.*

The warehouse retailer is a growing phenomenon in the d-i-y home-improvement market; an example is Atlanta-based Home Depot, which has captured about 20% of the local home-improvement market with only four stores, by stocking everything to build a house and providing the service to explain how to do it all. *See Page 12.*

Host of tv's "This Old House," Bob Vila talks about how the proliferation of do-it-yourselfers is affecting the business of home-improvement contractors. *See Page 14.*

REGIONAL REPORT

With the National Football League season about to begin, many teams are marketing themselves aggressively to lure fans into their stadiums. *See Page 26.*

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Polled retailers stamp approval on direct mail

SCARSDALE, N.Y.—Direct mail beat out newspapers as the most responsive medium to retailers' needs as advertisers, according to a recent survey.

Of the retailers surveyed, 38% found direct mail to be the most responsive ad medium to their needs; 34% cited newspapers; 7%, television, and 6%, radio. In the subcategory of food retailers, 48% found direct mail to be most responsive.

The survey, conducted by Aaron Cohen Marketing Services, was commissioned last year by Advo-System, Hartford, Conn., the nation's largest direct mailer.

Top executives in nearly 400 retail stores were interviewed. Food and food-related retailers comprised 45% of the sample. Most of the rest were from automotive, department, discount, drug, furniture, hardware or home improvement stores.

The sample's median annual retail sales volume was about $237 million, and the average number of retail outlets was about 32 stores.

The survey found that 87.6% of the retailers interviewed were satisfied with the results of their direct or shared-mail advertising.

It also discovered that 91.5% of the retailers planned to use direct-mail advertising again, and that more than 46% also planned to increase their 1984 budget for direct mail. Another 46% intended to keep their budgets the same. Only 6.8% said they would decrease their direct-mail budgets this year.

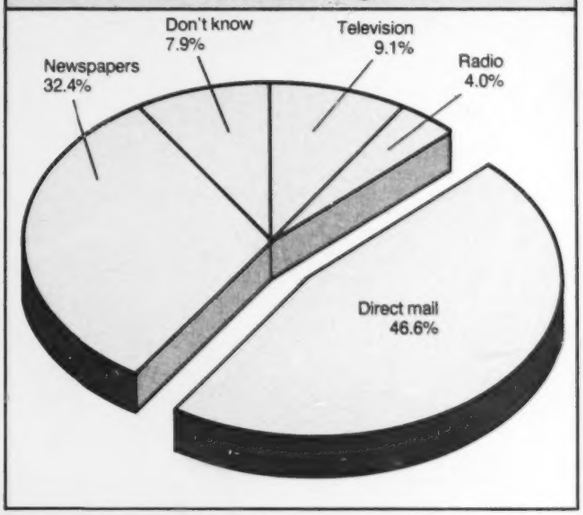
In contrast, the survey found that 39.3% of the newspaper and 28.1% of the magazine advertisers planned increases; 39.3% of the newspaper and 56.3% of the magazine advertisers planned to keep their budgets the same, and 22.3% of the newspaper and 12.5% of the magazine advertisers anticipated decreases.

Nearly half of the responding retailers said that direct mail was the best way to avoid duplication of an advertising message (for example, the duplication that occurs when ads appear in competing newspapers). Over-all, 49% of the retailers said this was so, but among food retailers, in particular, 55% said direct mail avoided duplication, four times as many as favored newspapers.

The survey also found that retailers believe direct mail most effectively keeps advertising expenses in line. Direct mail was so judged by 32% of the respondents, newspapers by 25%, radio by 10%, tv by 6% and magazines by 1%.#

Retailers on direct mail

Direct mail was selected most often by leading retailers as the medium which best pinpoints their advertising message to a specific trading area.
Source: Aaron Cohen Marketing Services



CMG Telemarketing to add inbound unit

Bruce McBrearty, president of CMG Telemarketing, says his company is launching inbound telemarketing capability to capitalize on a large potential for new business.

ALEXANDRIA, VA.—CMG Telemarketing is launching an inbound telemarketing center on Oct. 1 in Pasadena, Cal.

CMG, which has been providing outbound telemarketing services for five years, will now provide full-service inbound capabilities, too, including computer-assisted scripting, call monitoring and reporting and fulfillment, said Bruce McBrearty, president.

A new division, CMG Inbound Telemarketing, will be headed by an as-yet-unnamed executive with considerable experience in the telemarketing field, Mr. McBrearty said.

Generally, in outbound telemarketing an agency calls customers on behalf of a client, such as a retailer, to spur business with such strategies as special offers. In inbound telemarketing, customers call the agency, via a toll free 800 number, responding to the client's advertising or requests.

The bulk of CMG's outbound telemarketing business has been for clients active in fund-raising and development, such as charitable associations, political groups and television ministries.

Current clients include the American Medical Assn., tv evangelists Rex Humbard and Oral Roberts and the Republican Senatorial Committee.

CMG has not yet actively pursued customers for its inbound services, Mr. McBrearty said. He expects some existing outbound clients will use the new inbound services.

"Many of our clients came to us and said that they needed this," he said. "We will also be developing a lot of new business, particularly in tv direct response and the business-to-business area."

Mr. McBrearty said that CMG has developed many telemarketing skills through its outbound service that should make it attractive to inbound customers, too.

"Because of the expertise that we've developed in outbound telemarketing, we'll be able to do much more for our inbound clients than simply take orders on the phone," he said. "By working closely with our clients, we'll be able to talk about the companies and products that we represent, even sell."

Marketers are at the threshold of a new era in direct response, he said, explaining, "The vast potential of the 800 number has hardly been tapped. It is our hope that the formation of CMG Inbound Telemarketing will stimulate large numbers of organizations to explore more fully what can be accomplished with inbound telemarketing."

CMG currently is installing in its Pasadena facility 75 computerized work stations that will give it the capacity to handle from 20,000 to 30,000 inbound calls a day. Charges for the service have not been set yet but will be based on the number of calls handled.#

Essence, Hanover House unveil catalog for blacks

NEW YORK—Hanover House and Essence Communications, publisher of *Essence*, have teamed up to produce a mail-order catalog, Essence By Mail, aimed at black women aged 20 to 50.

Acting through their subsidiaries, Hanover House's Leavitt Advertising and Essence's Essence Direct Mail Marketing, the companies are planning a joint venture to produce five catalogs a year: Spring, summer, summer sale, fall and holiday.

The first catalog, 32 pages, is due the first week of September, with a distribution of 500,000. The catalog, which features black models exclusively, displays a range of moderately priced merchandise, including fashions, accessories, home-decorating items and the Essence line of intimate apparel.

The product mix, said James Forsythe, assistant managing agent and president of Essence Direct Mail Marketing, is 60% fashion and 40% home goods. "We're targeting the catalog toward the *Essence* audience," said Mr. Forsythe, "but to make it viable, we have to reach well beyond that."

The magazine has a circulation of 800,000, 650,000 of which are subscriptions, he said. The September catalog will test 50,000 of those subscribers matched against the Hanover House list of mail-order buyers. In addition, he said, Essence will test purchased lists of mail-order buyers selected on the basis of predominantly black Zip codes. "We'll be looking at both Zips and census tracts."

Essence Communications, founded in 1970, is a privately held communications company with interests in publishing, tv and merchandising. Ed Lewis, publisher-chief executive officer, said, "This joint venture with Hanover House marks a significant step forward in our plans to diversify ECI's operations. Essence By Mail is a natural extension of our success in magazine publishing, and will capitalize on the credibility we've established with black consumers."

For Hanover House, this is the first time it has teamed up with a publication to produce a catalog, said president Harold Schwartz.#

Senior editor Paul L. Edwards, New York, is the editorial director of the ADVERTISING AGE *Direct Marketing section.*

MacDantz signs fourth agency link

MCLEAN, VA.—MacDantz Direct, a national direct-marketing agency, has formed its fourth affiliation with a general advertising agency since opening its doors 15 months ago. This latest is with Mel Richman Inc., Philadelphia.

Under the agreement, MacDantz will establish an office in MRI's headquarters building and provide its services in the Delaware Valley exclusively through Richman.

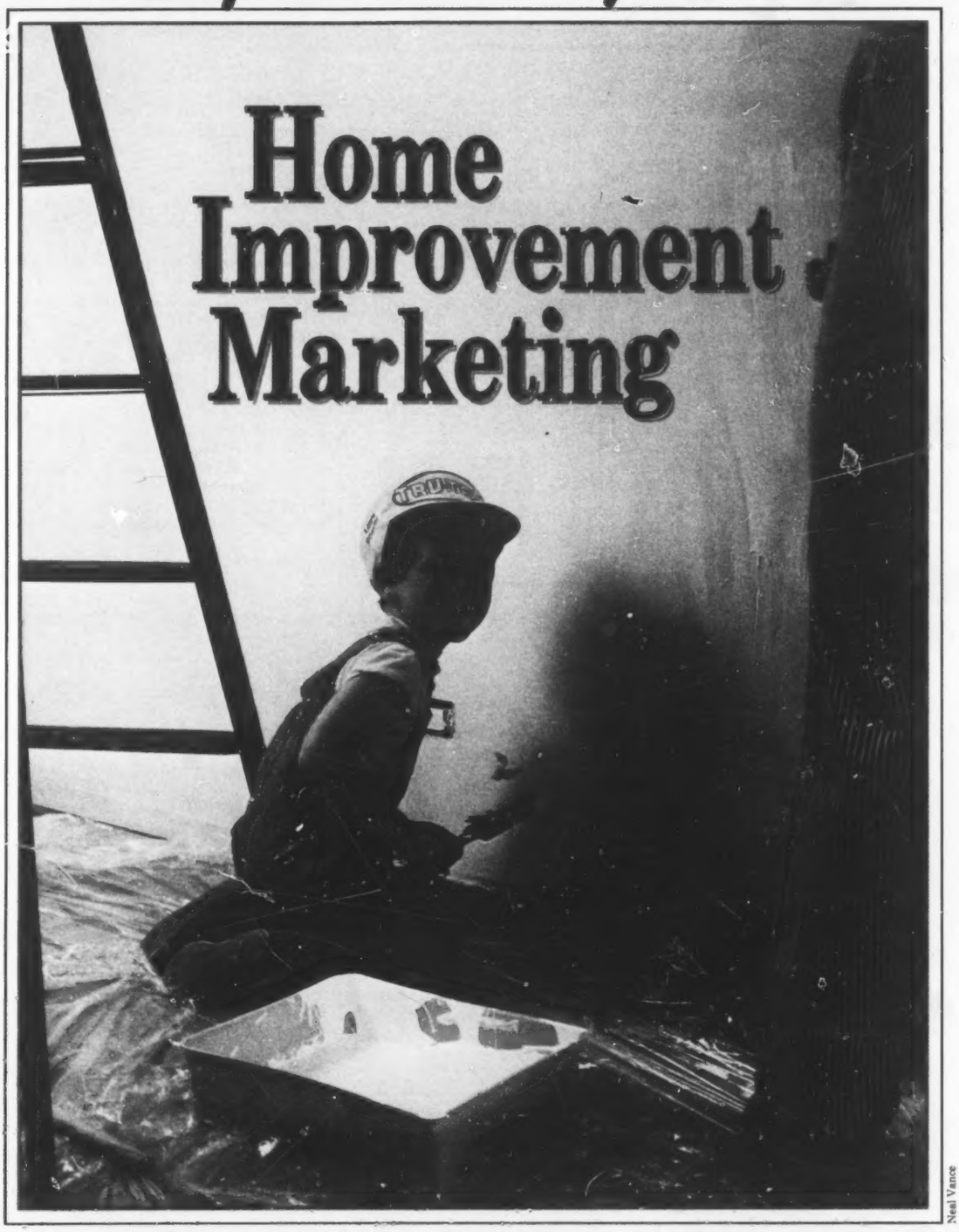
"We will have access to their direct-marketing expertise in the Philadelphia area," said MRI pr director Robert Ehlinger. "They will have access to our creative services here. We'll split the revenue from mutual projects."

Mr. Ehlinger said the Richman shop traditionally has been strong in creative, graphics and copy but had limited resources in direct marketing, an area that has become important to the agency.

"Rather than go out and try to develop our resources internally, we decided to go outside for more horsepower," Mr. Ehlinger said.

The MacDantz office in Philadelphia will be managed by William Ball, vp. Before joining MacDantz, Mr. Ball was vp of new-business development for Credit Card Service Corp., working on direct-marketing programs with financial institutions, retailers and oil companies. The other general agencies with which MacDantz is affiliated are Tucker Wayne Co., Atlanta; Needham, Harper & Steers/USA, Washington, and Lawler Ballard Advertising, Norfolk, Va.#

Special Report



Home Improvement Marketing

Neal Vance

Do-it-yourselfers painting new face on industry

Just when you thought it was safe to buy an 8 ft. length of 2-by-4.

Unsuspectingly, you drive to your local home center. Inside, hordes of home improvement shoppers, armed with checklists and charge cards, hover around high racks of hardware and decorating products. After covering about 2½ miles of aisles, you come upon a huge doorway that opens into a yawning cavern of wood, stacked to the rafters.

You get the funny feeling you may be involved in something much bigger than buying a board. And, as a member of the booming battalion of do-it-yourselfers, you are.

In 1984, says Brad Farnsworth, executive director, Do-It-Yourself Research Institute, Indianapolis, about 75% of U.S. households will be involved in a d-i-y project. He estimates homeowners will spend about $38.6 billion this year on d-i-y projects. To put this figure in perspective, d-i-y expenditures (in 1984 dollars) totaled $26.5 billion in 1980, and annual spending is expected to hit $75 billion by 1990.

Mr. Farnsworth attributes much of the growth in the market to the baby boomers' recent rise to homeowner status. Their hands-on approach to life, coupled with their general disdain for paying a plumber $40 an hour to install a new faucet, makes these boomers the prime targets of d-i-y marketers.

"If you want to know what triggered the do-it-yourself movement," says Patricia Coleman, editor of *Building Supply & Home Centers*, Des Plaines, Ill., "just take a look at how much contractors are getting paid an hour."

While cost savings may be the initial motivation, Mr. Farnsworth indicates that an emotional factor counts more than the money. "When you can bring someone into your home and say 'I put up that track lighting,' . . . there's a great sense of satisfaction that transcends the economic side."

Ralph Dillon, president of Plano, Tex.-based Bowater, a home improvement warehouse center, condenses the motivation behind the movement into its most basic terms. "This is a *need* business," he says. "Everyone has the basic needs of food, clothing and shelter—we're talking about providing and upgrading shelter."

The entrance of warehouse retailers such as Bowater has started a race for market share. "More and more traditional building supply outlets are . . . developing a specific market strategy to position themselves in a niche from which they can compete with the new wave of retailers," says *BS&HC* publisher Joseph Modaff.

Once the domain of lumberyards and corner hardware stores, the industry is now a prime example of retailing dynamics, pulling Sears, Roebuck & Co. into direct competition with old-line local lumberyards. One of the building supply industry's earliest players, North Wilkesboro, N.C.-based Lowe's Cos.' stock meetings formerly were attended by building supply analysts, says Wyatt Kash, editor, *National Home Center News*, New York. "Now when they talk to analysts, half of the people in the crowd are retail specialists," he says.

"It hasn't been easy for a lot of these [building supply] people, who were accustomed to taking $3,000 sales orders from contractors, to shift to selling 59 cent washers," Mr. Kash says. "Many of the building supply centers just didn't have a retail mentality or capability."

But survival in this market means that hardware stores, mass retailers, home centers, specialty retailers and even product manufacturers must drill that mentality and capability into their staffs. Consumers are now driving what once was a trade-driven business.